


5 January 2012



**MYANMAR DRILLING UPDATE:
YENANGYAUNG DEVELOPMENT WELL YNG 3242
COMPLETED AS AN OIL PRODUCER**

Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”), has completed infill development well YNG 3242, which commenced drilling about a month ago at the Yenangyaung oil field in Myanmar, as an oil producer.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Yenangyaung field and also owns 60% of Goldpetrol which is the operator of the field. YNG 3242 was drilled using Goldpetrol’s Cooper LTO 350 rig employing a relatively simple completion plan and as such, costs were comparatively low and Interra’s share of the drilling costs were funded from existing funds on hand.

YNG 3242 was drilled to a total depth of 1,650 feet as a direct offset to YNG 3240, which has averaged 135 barrels of oil per day (bopd) from the L900FT through 1600FT sandstone reservoirs since its completion more than three months ago. YNG 3242 was completed over these same reservoirs and following ten days of production testing by pump, the well has stabilised at 10 bopd. This is a continuation of the emphasis on drilling shallow to intermediate depth wells using Goldpetrol’s own rig to develop areas in producing reservoirs that are not currently drained by existing wells.

The Company wishes to advise that investors should exercise due care and caution when trading Interra’s shares.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED

Marcel Tjia
Chief Executive Officer



About Interra

Interra Resources Limited, a Singapore-incorporated company listed on the SGX Catalist, is engaged in the business of petroleum exploration and production (E&P). Our E&P activities include petroleum production, field development and exploration through strategic alliances and partnerships. We are positioning ourselves to becoming a leading regional independent producer of oil and gas.

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Collins Stewart Pte. Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Collins Stewart Pte. Limited has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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